

Message Text

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PAGE 01 LISBON 07478 171224Z

44

ACTION EUR-12

INFO OCT-01 ISO-00 SAM-01 IO-10 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 COME-00 AID-05 EB-07 CIEP-01 TRSE-00 STR-04

OMB-01 CEA-01 /089 W

----- 069155

R 171107Z DEC 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 5364

INFO USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MADRID

AMCONSUL OPORTO

AMEMBASSY PARIS

USMISSION OECD PARIS

AMCONSUL PONTA DELGADA

LIMITED OFFICIAL USE LISBON 7478

E.O. 11652: N/A

TAGS: EFIN, PO

SUBJECT: FINANCE MINISTER GIVEN EXTRAORDINARY BUDGETARY POWERS.

REF: LISBON 6740

1. ON DECEMBER 5, 1975, GOP ISSUED DECREE-LAW NO. 676-A/75
GIVING MINISTER OF FINANCE EXTENSIVE ARBITRARY POWER TO
REDUCE OR SUSPEND PREVIOUSLY AUTHORIZED BUDGETARY EXPENDITURES,
INCLUDING THOSE OF AUTONOMOUS AGENCIES UNDER HIS PURVIEW.
RATIONALE GIVEN IS GRAVITY OF CURRENT SITUATION, WHICH REQUIRES
GREATER BALANCE BETWEEN RECEIPTS AND EXPENDITURES.

2. POWERS GIVEN BY THIS LAW WERE USED IMMEDIATELY TO SUSPEND
FOLLOWING EXPENDITURES: A) CURRENT EXPENSES: DURABLE GOODS,
CONSERVATION AND RESTORATION OF GOODS, AND MISCELLANEOUS
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PAGE 02 LISBON 07478 171224Z

CURRENT EXPENSES; B) CAPITAL EXPENDITURES: INVESTMENTS
AND OTHER CAPITAL EXPENDITURES. SPECIFICALLY EXCLUDED

FROM SUSPENSIONS WERE EXPENDITURES UNDER DEVELOPMENT PLAN AND THOSE WHICH RESULT FROM ALREADY AWARDED CONTRACTS OR PHASED PROGRAMMING. MINISTRY CAN MAKE EXCEPTIONS IN URGENT CASES. UNDISBURSED FUNDS HAVE TO BE IMMEDIATELY TRANSFERRED TO TREASURY.

3. COMMENT: THIS MEASURE APPEARS TO HAVE TWO BASIC IMPLICATIONS:

1) IF ENFORCED, MEASURE GIVES FINANCE MINISTRY GREATLY ENHANCED AND UNPRECEDENTED BUDGETARY POWERS OVER ENTIRE GOVERNMENTAL APPARATUS.

2) MEASURE APPEARS TO FOLLOW RECOMMENDATIONS MADE UNDER PROPOSED AUSTERITY PROGRAM (REFTEL) AND REPRESENTS FIRST CLEAR-CUT ATTEMPT AT INTERNAL GOVERNMENT AUSTERITY. MEASURE HAS RECEIVED NO NOTICE IN MEDIA.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC RECOVERY, ECONOMIC DEVELOPMENT, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LISBON07478
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750438-0778
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751232/aaaabbzx.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LISBON 6740
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 29 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 APR 2003 by BoyleJA>; APPROVED <30 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FINANCE MINISTER GIVEN EXTRAORDINARY BUDGETARY POWERS.
TAGS: EFIN, PO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006